

THE MINERAL INDUSTRY OF MALTA

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Malta remained an important transshipment center in the Mediterranean area. Its political and strategic importance has traditionally emanated from its geographical position in the center of the Mediterranean Sea and its natural deepwater harbor. The transshipment and reexport of goods continued to be significant to the country's economy in 2004. International trade and, in particular, export activities represented Malta's economic lifeline. Exports of manufactured goods, transport-related services (transshipment and ship repairs), financial services, and tourism-related activities drove Malta's economic growth and development. With virtually no natural resources of its own except for its golden limestone (globigerina), Malta depended almost completely on imports of raw materials and fuels to sustain its manufacturing and tourism industries (CountryProfiler, 2004§¹).

The mineral industry, which consisted mainly of limestone and salt production for domestic consumption, was small (table 1). Malta's mineral-related economy depended mainly on trade and the storage of crude oil.

The area of the Maltese archipelago is 316 square kilometers (km²) and consists of Malta, 246 km²; Gozo, 67 km²; and Comino, 3 km². The country had a population of about 400,000. Malta's gross domestic product (GDP) in purchasing power parity was \$7.6 billion, and GDP per capita was \$19,300. Inflation was 2.7%, and the real growth rate was 1.0% (International Monetary Fund, 2005§).

Malta entered the European Union (EU) on May 1, 2004, along with nine other countries and became the smallest country in the EU displacing Luxembourg. Malta was planning to switch its currency from the lira and to adopt the euro as its currency by 2008 (Daily News, 2005§).

Pancontinental Oil and Gas plc of Australia was continuing with its 250-km² seismic survey program to investigate Area 5 in waters south of Malta to identify likely underground petroleum reserves and to establish a prospective drilling site. The operations will include piercing deep into the seabed by using powerful airguns. The information gathered will be processed and interpreted, and the results were expected to be ready by yearend 2004 (Pancontinental Oil and Gas plc, 2003§). The closest Malta has ever been to finding petroleum was in 1993 with the Tama well drilled by Amoco Co. of the United States and Agip Spa. of Italy. Petroleum was present in the Tama well, but not in commercial quantity (Alexander's Gas & Oil Connections, 2004§).

Outlook

Malta's entrepôt activities in the Mediterranean area are expected to continue along with offshore petroleum exploration.

Internet References Cited

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International Monetary Fund, 2005 (January), World Economic Outlook Database, accessed March 15, 2005, at URL <http://www.imf.org/external/pubs/ft/weo/2005/01/data/dbcoutm.cfm>.
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¹ References that include a section mark (§) are found in the Internet References Cited section.

TABLE 1
MALTA: ESTIMATED PRODUCTION OF MINERAL COMMODITIES^{1, 2}

(Cubic meters)

Commodity ³	2000	2001	2002	2003	2004
Limestone	1,140,000	1,230,000	1,200,000	1,200,000	1,200,000
Salt	6,000	6,000	6,000	6,000	6,000

¹Table includes data available through March 2005.

²Estimated data are rounded to no more than three significant digits.

³In addition to listed commodities, small amounts of cement, fertilizer, lime, and plaster are produced, but available information is inadequate to make reliable estimates of output levels.